

## Employee Relations



One of the basic policies of the “Brand-new Deal 2012” medium-term management plan is to “Proactively Seek New Opportunities.” To this end, ITOCHU will proactively advance efforts to develop and strengthen human resources as the management foundation supporting a commitment to taking assertive and forward-looking action. Our longstanding promotion of a global human resources strategy also remains unchanged.

### ■ Policies and Tasks for Fiscal 2012



**Fumihiko Kobayashi**  
Executive Officer, General  
Manager, Human Resources &  
General Affairs Division

For ITOCHU Corporation, human resources are its greatest management assets as a general trading company.

“Brand-new Deal 2012,” our medium-term management plan launched from fiscal 2012, outlines a variety of initiatives pertaining to human resources, such as cultivating “industry professionals” and “strong human resources.” By executing the medium-term plan and these measures, we intend to further enhance the structure that will support utilization of our human resources, enabling our employees to demonstrate their skills and abilities to the fullest.

## Human Resource Development Supporting the “Seeking of New Opportunities”



### Human Resource Development Supporting the “Seeking of New Opportunities”

Human resources are what support the stable, ongoing growth of ITOCHU Corporation.

Our human resource development activities are available to employees throughout the Group, both domestically and in overseas blocs. Based on each employee’s work experience and abilities, we strive to help them develop into professionals who play an active role in their business field and to provide them with the skills necessary to manage business on a global level.

Through individual evaluations and feedback, and by providing valuable job experience via on-the-job training (OJT), we help to cultivate the motivation and willingness of employees to increase their career opportunities within the Group. To further the support of employees’ self-development, we not only provide skills and knowledge through training but also actively support individual career development. We will continue to invest substantially in our human resources, while at the same time promoting human resource development which is proactively led by the front-lines.



Basic Structure of Human Resource Development

### A Variety of Training Schemes

ITOCHU conducts a variety of training schemes that include essential training by position and job class, as well as select and elective training. We have a wide range of programs for the development of global management human resources, including global development programs (such as the GEP, GLP and GNP) (\*), and workshops for organization managers. We also have a system for sending new employees overseas, instituted in 1999 as a means of fostering English proficiency and an international perspective in our young employees. As a follow-up to this program, we launched a new program designed to dispatch Junior staff overseas training for multi-language. Our plan is to develop candidates who will become specialists in each target market in the future. We also offer a wide range of training for specific objectives, such as “Career vision support training” and distinctive training based on the human resource strategies of each Division Company and administrative division at ITOCHU Headquarters, with the aim of developing industry professionals and diverse human resources.



Global development program

- \* Global executive program (GEP) is one of our core programs for developing global human resources. Its aim is to develop global executives.
- \* The Global Leadership Program (GLP) is a program designed to foster organization managers capable of acting on a global stage.
- \* The Global Network Program (GNP) for staff hired locally overseas seeks to help them learn about the ITOCHU Group’s global operations firsthand through training at ITOCHU Headquarters, and to create a peer network among program participants.

## Human resources development policy and training details (excerpt)

Overview of human resources development system	Training program name (excerpt)
Development of global management talent	Global development programs, organization manager training, sending employees to short-term business school programs
Business leader development	Sending of new employees overseas, dispatch of junior staff overseas to learn Chinese and other languages
Development of industry professionals and diverse human resources	Career vision support training, distinctive training for each Division Company, headquarters administrative division

## Number of employees participated in major training programs

Training program name	FY2011 Results
Global development program	108
Organization manager workshops	466
Sending of employees to short-term business school programs overseas	44
Junior staff overseas training for English and Junior staff overseas training for multi-language	76
Career vision support training	2767

## Comments by Training Participants



**Sang-Chul Choi**  
Division General Manager  
Corporate Planning &  
Business Development  
Department  
ITOCHU Korea LTD.

**Global Executive Program (GEP)**

Through the GEP training program, I learned about the requirements of a global leader, and that the most important thing for true communication is the willingness to learn. During the course of various discussions with executives, I gained a tangible appreciation for how much ITOCHU is changing and the role we have to play in the future.



**Shinji Ishikawa**  
Chemical Compliance Team,  
Chemicals Division

**Junior staff overseas training for English**

I was posted to the U.S. state of Maine under the system, Junior staff overseas training for English. By actually living locally, I came into contact with differences in cultures and values that can't be communicated by video and voice alone. I feel it was a major step on the path to becoming a global human resource.



**Ryoko Nagao**  
Supply Chain Facilities  
Development Section,  
Construction & Realty  
Department No. 2



**Junior staff overseas training for multi-language**

Every day was stimulating and allayed my unease ahead of my posting.

While interacting with various bright, kind and passionate Chinese people, my preconceived image of China changed. In addition to learning the language, I developed a keen sense of the Chinese economy, which continues to go from strength to strength. I really appreciated this wonderful opportunity.

## Global Human Resources Strategy Enters a New Stage



### Global Human Resources Strategy Enters a New Stage

Since fiscal 2008, ITOCHU has been promoting a global human resources strategy in order to maximize the value of human resources and optimize the talent development of the Group on a global basis. In parallel, an environment is being developed that will allow employees to take on new challenges by respecting their diverse values and individuality, heightening their motivation, and optimally bringing their skills and talents to the fore, all without regard to nationality, age or gender. In promoting this global human resources strategy, each Division Company, the Human Resources & General Affairs Division at ITOCHU Headquarters, and Global Talent Management Centers (GTECs) in four major cities worldwide had, by fiscal 2011, come together to create a common global platform, including standardized evaluation items and a global human resources database. From fiscal 2012, focusing on individual employees, we will strengthen human resources strategy in core overseas markets such as China and Asia in order to secure, develop, and optimize personnel that will contribute to business development worldwide.



Talent Management Process

### Specific Initiatives

1. We are inviting employees from our overseas blocs worldwide to come to our headquarters for approximately two years as a form of HR development through actual operations. These employees are provided the opportunity to master business operations, gain a firm understanding of our corporate philosophy and culture, and build interpersonal networks. At the same time, this initiative encourages our headquarters to become more global in its outlook. (From April 1, 2008 to March 31, 2011, a cumulative total of 54 employees have been accepted.)
2. We are assigning, promoting, and developing human resources on a global basis regardless of nationality, using the ITOCHU Global Classification (IGC) as a common measure of job level/level of responsibility for all jobs and positions worldwide.
3. We promoted a globally shared human resources strategy through the ITOCHU Global Recruitment website, a channel that human resources desiring local recruitment overseas can also utilize. In addition, we conducted an internship in English for foreign university students in August 2010 as a form of PR targeting talented human resources.
4. We have incorporated the five ITOCHU Values, formulated as the new ITOCHU Mission, into the human-resource requirements for ITOCHU leaders. These requirements are reflected in our hiring standards and our evaluation and HR development programs led by internal instructors, enabling us to hire and develop human resources suited to ITOCHU's values globally.

### Number of overseas bloc employees by region (As of March 31, 2011)

(Unit: persons)

North America	157	Latin America	164
Europe	242	Africa	38
Middle East	161	Oceania	39
East Asia	628	ASEAN & South West Asia	667
CIS	88		Total: 2,184

## Providing Comfortable Working Environment for Employees



### Efforts to Support Employees' Childcare and Nursing Care

During the course of their working lives, employees inevitably pass through life stages that require them to render childcare and nursing care. To enable them to continue working with peace of mind and demonstrate their fullest potential, ITOCHU has expanded and upgraded systems to help that are far and above those required by law. These systems are available to both men and women, and provide support to employees in their work as well as child and/or nursing care duties.

In fiscal 2008, along with offering a system for childcare leave, we added systems that allow employees to choose the days they wish to work and to work shorter hours when raising children. We also established a paternity leave system as yet another way to support employees in both work and parenting, with the number of employees utilizing this system growing each year.

In fiscal 2010, we opened I-Kids, a childcare center for our employees, at a location close to our Tokyo headquarters. This move was made in light of a widespread social issue where many children are currently waiting for entry to nurseries in the Tokyo metropolitan area, and female workers face difficulties in planning their return from childcare leave. Subsequently, we took this step to minimize factors that might hinder our employees from continuing their careers and support their motivation to keep working. Furthermore, in line with revisions to Japan's Child Care and Family Care Leave Law, in fiscal 2011, we expanded our system for supporting the participation of male employees in childcare, and established a new system of nursing care leave, allowing employees to take short periods off from work as a way to support them in meeting their work and nursing care responsibilities.

Through the continued expansion and upgrade of support and systems of this kind, ITOCHU is creating a working environment that will enable employees to retain their motivation to continue working.

#### Acquisition of leave according to child care or nursing care related systems

(Unit: persons)

		FY 2009	FY 2010	FY 2011
Child care	Parental leave	30	43	49 (2 males; 47 females)
	Leave to nurse sick children	71	98	125 (58 males; 67 females)
	Shorter working hours for child care	40	32	50 (1 males; 49 females)
	Special parental leave	21	16	13 (7 males; 6 females)
	Paternity leave	48	53	62 (62 males)
Nursing care	Nursing care leave	0	0	0
	Special nursing care leave	9	8	9 (3 male; 6 females)
	Nursing care responsibilities	-	-	16 (7 males; 9 females)
	Shorter working hours for nursing care	1	2	2
Family support leave		247	383	469 (285 males; 184 females)

### Comments from an I-Kids user

Investor Relations Department  
**Akihide Chiba**



Birthday party at I-Kids

I was unable to get my child into an approved nursery school, so I chose to use I-Kids instead. I was a bit worried at first if my daughter would adapt to being in daycare. But she quickly became accustomed to going to I-Kids and seems to enjoy being there each day, which as a parent makes me glad. While commuting to work on the train with a one year old can be tough, my wife and I both appreciate knowing that we can continue to work while having her looked after by nursery school teachers, nutritionists and other staff that we can trust.

### Comments from a user of childcare leave



HR Management Department,  
 Human Resources & General  
 Affairs Division  
**Takashi Kawasaki**

When my second child was born last year, I decided to take leave from the Company after discussing the decision with my supervisor and my wife. Thanks to the support of my supervisor and colleagues, I was able to give my all to helping raise my child during this irreplaceable time in a baby's development. Although there are still not many male employees opting to take leave, as Japan's birthrate declines and its population grows older, supporting childcare efforts will become an increasingly major social responsibility that companies must fulfill. I think that more must be done to create an environment and atmosphere that will allow men and women alike to meet their respective parental duties.

### Acquired "Kurumin" Mark Certification

On July 11, 2011, ITOCHU Corporation obtained approval from the Tokyo Labor Bureau to display the Next-Generation Certification Mark (affectionately known as Kurumin) after satisfying approval criteria stipulated by Japan's Act on Advancement of Measures to Support Raising Next-Generation Children (\*).

In an effort to create working environments suitable for all of its employees, ITOCHU has a full range of systems in place to support them in balancing their work and parental responsibilities. Steps taken to embed and promote active participation by more of our diverse workforce over the years have included the establishment of an in-house child daycare center, called I-Kids, in January 2010. Approval to display the Kurumin Mark is an acknowledgement of ITOCHU's track record in this important area.

ITOCHU will continue to create environments that make diverse working styles possible, allowing employees to balance work and childrearing, as well as give ample play to their own skills and abilities.



\* Act on Advancement of Measures to Support Raising Next-Generation Children  
 The Act on Advancement of Measures to Support Raising Next-Generation Children calls on regional public-sector organizations to formulate and present local action plans to help reverse Japan's rapidly declining birthrate. Meanwhile companies, based on the number of employees employed, are mandated to formulate action plans of their own for supporting employees in balancing work and parental duties, and submit a detailed summary of these to prefectural labor bureaus. (Excerpt from the Ministry of Health, Labour and Welfare (Japanese only))

## Career Counseling

The Career Counseling Center offers a wide range of counseling and support for diverse career stages, ranging from new recruits to organization managers. Staffed by several employees certified as career counselors, the department touches on an array of topics with its clients, including relationships with supervisors, junior staff and peers, approaches to work, and considerations about one's own future. A mechanism is in place in which all young employees go to career counseling at certain milestones after joining ITOCHU as part of their training. Counseling, moreover, is available to all employees when choosing a career path, as well as for middle-aged employees looking to extend their employment. In the words of one employee, "Since I usually don't have time on a given day to really sit and consider my situation, being able to go to career counseling was a very valuable experience for me."

## Employee Health Management

For ITOCHU Corporation, employees are assets, and thus the health management of every single employee is extremely important to ensure that a diversity of employees can freely exert their capabilities.

We have developed an in-house system that allows employees to receive counseling on their health at any time. For example, the Health Administration Center at ITOCHU's Tokyo Headquarters, which also serves as a clinic, has 20 specialist physicians on staff, as well as an X-ray technician and a pharmacist. These health maintenance professionals, who each act as a "health concierge," care for every aspect of health for each employee, providing them with the support needed to manage their own health.

Where mental health is concerned, we have established a stress management room in-house, and have a system where employees can talk at any time with a psychiatrist or clinical psychologist.

We are also taking steps to prevent long working hours, including setting days at each business site for early dismissal from work. At the same time, we are further strengthening our system for ensuring proper time management as a company, including utilizing an objective labor time management system based on building entry and exit records.

## Employee Safety Measures

To ensure that ITOCHU Corporation employees stationed around the world and their families spend a meaningful assignment term in safety and good health, we have built a full system not only for incidents, accidents, disasters and other emergencies, but also for health management.

To prepare for emergencies such as diseases or injuries, including preventive measures for infectious diseases in the dispatched area, we collaborate with multiple medical emergency service companies for a complete support system.

## Communications with Employees



### Dialogue Meetings with the President

Dialogue meetings that employees can freely take part in are held in an effort to deepen communication through two-way discussions between employees and the ITOCHU president.

Although Company-wide Employee Meetings have been held since 2001, from this fiscal year the meetings were divided into three sessions in an effort to deepen dialogue. At the dialogue meetings, the president himself can directly share his passion around management policies and their realization with employees. At the same time, employees can share their opinions and any questions they may have directly with the president. As such, these meetings are extremely valuable opportunities for two-way communication.

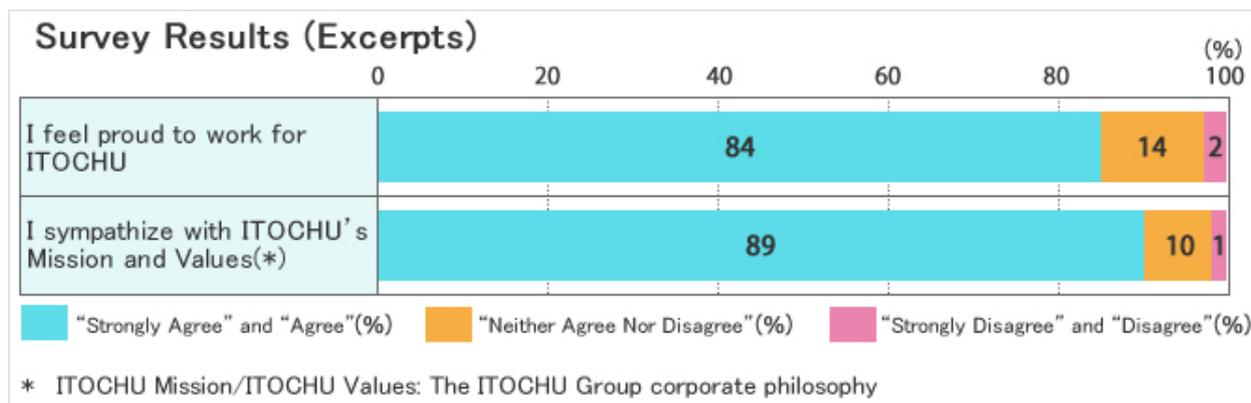
The dialogue meeting for fiscal 2012 took place in August. The meeting was an exceptionally lively one, and touched on everything from management policies to more personal topics.



### Enactment of Engagement Survey for Employees

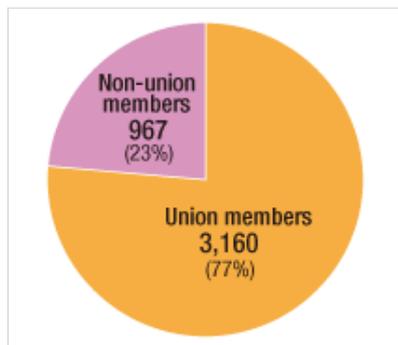
ITOCHU continuously surveys the level of engagement present among employees. In fiscal 2011, we conducted a survey targeting all employees, including those on assignment overseas, with the goal of assessing motivation, satisfaction, and engagement (\*), and utilizing survey results in a range of measures designed to improve employee engagement and corporate value.

\* Engagement: The degree to which employees, with a strong desire to contribute to ITOCHU, can of their own initiative optimally capitalize on their own abilities.



## Dialogue with the Labor Union

At ITOCHU Corporation, a wide range of issues is discussed with the labor union in order to realize our corporate mission, "Committed to the Global Good." In fiscal 2011, we held a number of meetings, including management meetings with the President and similar meetings with Division Companies. Through opportunities of this kind, labor and management enter repeated and active discussions to build up a healthy relationship that enables both sides to recognize and share challenges currently facing them and to study and implement improvement measures.



Ratio of labor union members in April 2011

### Initiatives with the Labor Union in fiscal 2011

<b>Apr. 2010</b>	Chemicals, Forest Products & General Merchandise Company management meeting
<b>June 2010</b>	Settlement of accountings meeting
<b>July 2010</b>	Management meeting with the President
<b>August 2010</b>	ICT, Aerospace & Electronics Company management meeting
<b>October 2010</b>	Headquarters management meeting
<b>December 2010</b>	Meetings to discuss branches and offices in Japan
<b>December 2010</b>	Energy, Metals & Minerals Company management meeting
<b>February 2011</b>	Management meeting with the President

### Comments from the Labor Union President



**Satoshi Morikawa**  
President, ITOCHU Labor Union

The ITOCHU Labor Union is involved in a host of measures designed to realize working environments that allow one of the Company's key stakeholder groups, its employees, to be more enthusiastic and motivated, and bring their individual abilities to the fore. As a labor union, we hope to contribute to CSR activities through active dialogue with ITOCHU, based on input gathered from a wide array of frontline operations.

## Promoting Human Resources Diversification in Japan



### Commitment to promoting more diverse human resources in Japan

Promoting efforts to embed and utilize through numerical expansion and systems enhancement

#### Promotion Plan on Human Resources Diversification 2013 (Japan)

Since December 2003, ITOCHU has promoted efforts to diversify its workforce in Japan. The motivation here is a recognized need to respond to changes in the external environment, such as intensifying competition spurred by economic globalization and the race to secure human resources due to Japan's declining birthrate and aging society. ITOCHU must also respond to the need to create new businesses, as well as address the disproportionate age makeup of its workforce.

In fiscal 2010, ITOCHU launched "Promotion Plan on Human Resources Diversification 2013 (Japan)," a new roadmap aimed at enhancing individual and organizational abilities further by putting an environment in place that leverages and utilizes the characteristics of each employee without regard to gender, nationality or age. Set to run from April 2009 to March 2014, this new plan outlines concrete measures to implement with emphasis on supporting career formation for women, seniors and other human resources in their respective fields.

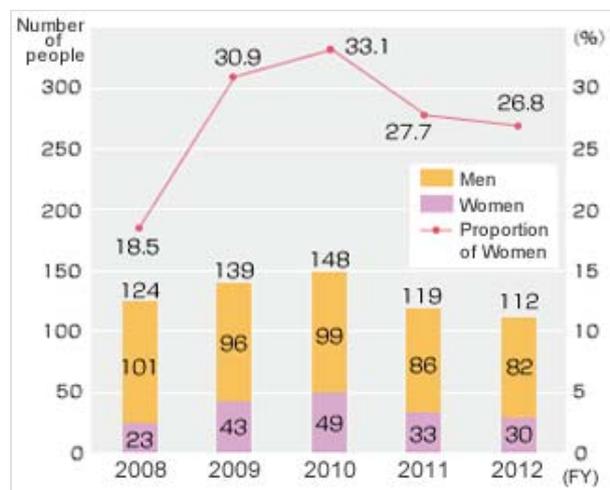
One example of these efforts is the hiring of students from universities overseas to work at ITOCHU Headquarters. By supporting the push to secure, embed and utilize more diverse human resources, our goal is to create a more attractive company and corporate culture. Similarly, by reforming consciousness around our approach to work, and through measures that encourage appropriate time management and the taking of holidays, we seek to realize comfortable, dynamic working environments inside ITOCHU.

#### Number of male and female employees

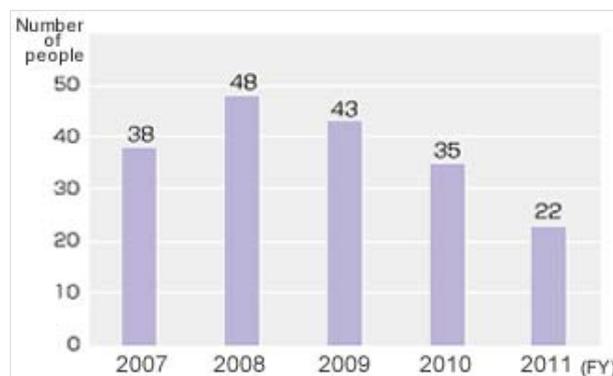
(Unit: persons)

	Men	Women	Total
FY 2009	3,161	1,014	4,175
FY 2010	3,191	1,068	4,259
FY 2011	3,201	1,100	4,301

(As of March 31, 2010)



Total hires of new graduates



Mid-career hires (career-track)

## Supporting the Participation in Society by People with Disability

In 1987, ITOCHU Corporation established Itochu Uneedus Co., Ltd., as a special subsidiary based on the Disabled Persons Employment Promotion Act (Law for the Employment Promotion of the Disabled) in order to create work opportunities for those with disability. As of July 2011, the proportion of our workforce with disabilities is 1.99%, which exceeds the legally stipulated ratio of 1.8%. We will continue to actively support the participation in society by people with disabilities.